

Message Text

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TRSE-00 LAB-04 SIL-01 OMB-01 DODE-00 PM-05 H-01
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R 071231Z JUL 78
FM AMEMBASSY VALLETTA
TO SECSTATE WASHDC 8310
INFO AMEMBASSY ALGIERS
AMEMBASSY BONN
AMEMBASSY LONDON
AMEMBASSY PARIS
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C O N F I D E N T I A L SECTION 01 OF 03 VALLETTA 02065

E.O. 11652: GDS
TAGS: PEPR, EAID, MT, US
SUBJECT: GOM DEMARCHE ON MALTA'S DIALOGUE WITH THE
- EUROPEANS

REF: VALLETTA 1964 (DTG 290812Z JUN 78)

1. SUMMARY: FOREIGN SECRETARY MAURICE ABELA, WHO
RETURNED JULY 5 FROM HIS EUROPEAN TRIP, CALLED ME IN JULY
6 TO MAKE WHAT HE CALLED A "LAST DITCH EFFORT" TO GET THE
US TO HELP GET THE EUROPEANS MOVING WITH RESPECT TO THE
DIALOGUE ON FINANCIAL ASSISTANCE TO MALTA. END SUMMARY.

2. ABELA BEGAN BY SAYING THAT ONE OF THE MAIN PURPOSES
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OF HIS TRIP TO EUROPE WAS TO SEE WHAT EFFECT OUR ENCOURAGE-
MENT TO BE RESPONSIVE TO MALTA'S NEEDS HAD HAD ON THE
EUROPEANS. ABELA SAID SADLY THAT HE HAD FOUND "NO EVI-
DENCE" OF ANY EFFECT WHATSOEVER. SINCE THE PRESIDENT HAD
SAID IN HIS LETTER THAT HE HAD FULL CONFIDENCE IN HIS
AMBASSADOR TO MALTA AND THAT THE GOM SHOULD RAISE ANY
QUESTIONS WITH HIM, ABELA WANTED TO KNOW FROM ME WHAT THE

US WAS GOING TO DO ABOUT THIS SITUATION.

3. THE ITALIANS, ACCORDING TO ABELA, HAD BEEN COOLER TO HIM DURING THIS VISIT THAN USUAL. MALFATI SAW ABELA AT THE BEGINNING OF HIS TRIP BUT REFUSED TO RECEIVE HIM ON HIS WAY HOME. ABELA CHARACTERIZED THE ITALIAN TREATMENT OF HIM AS RUDE AND INAPPROPRIATE WHICH HAD MADE HIM VERY "UPSET PERSONALLY". IN HIS MEETING WITH MALFATI, MALFATI AGREED TO "PUT PRESSURE" ON THE GERMANS AND TO RAISE MALTA WITH THE OTHER EUROPEANS AT THE EEC SUMMIT IN BREMEN. BUT SUBSEQUENTLY, IN RESPONSE TO A PRESS QUESTION INSPIRED BY THE GOM, THE MFA IN ROME HAD REPORTEDLY STATED THAT MALTA WAS NOT ON THE AGENDA BUT MIGHT BE DISCUSSED IN THE CORRIDORS. ABELA INTERPRETED THIS AS MEANING THAT THE ITALIANS IN FACT HAD NO INTENTION OF BRINGING MALTA UP IN BREMEN. ABELA ALSO MENTIONED ANDREOTTI'S LETTER TO MINTOFF SAYING THAT THE MALTESE DID NOT REGARD IT AS A "SERIOUS" LETTER BECAUSE IT HAD SHIFTED THE WHOLE RESPONSIBILITY OF CHECKING WITH OTHER INTERESTED EUROPEAN COUNTRIES ABOUT WHAT THEY WERE PREPARED TO DO FOR MALTA BACK TO THE GOM WHEN IN FACT IT WAS A EUROPEAN PROBLEM TO DETERMINE HOW THEY WERE GOING TO HELP MALTA.

4. TURNING TO THE GERMANS, ABELA SAID THAT THEY WOULDN'T RECEIVE HIM AT ALL. THE GOM HAD BEEN TRYING TO GET AN APPOINTMENT IN BONN SINCE MAY 15. THE FOREIGN OFFICE
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(STATE SECRETARY WISCHNEWSKI), HOWEVER, REFUSED TO SEE HIM. ABELA WENT ON THAT HE HAD HEARD THAT EVEN HIS PRESENCE IN BONN WOULD NOT BE "APPRECIATED". THE GERMANS LET IT BE KNOWN THAT SHOULD THE GOM HAVE SOMETHING TO SAY TO THE GERMAN GOVERNMENT, IT COULD BE CONVEYED THROUGH THE MALTESE AMBASSADOR IN BONN. ABELA SAID HE WOULD NOT GO TO BONN UNDER SUCH CIRCUMSTANCES.

5. ABELA SAID HE WENT FROM ROME TO PARIS WHERE HE RECEIVED "RED CARPET TREATMENT", DESPITE THE QUAI'S INVOLVEMENT IN THE GISCARD VISIT TO MADRID. HE HAD MET WITH HIS COUNTERPART IN THE QUAI AND WITH OTHER SENIOR OFFICIALS AND ALL HAD AGREED THAT THE BEST SOLUTION FOR MALTA WAS JOINT EURO-ARAB GUARANTEES ALONG THE LINES OF MINTOFF'S PROPOSALS AND THAT MALTA COULD NOT GO IT ALONE FINANCIALLY BUT NEEDED FINANCIAL ASSISTANCE FOR AN INTERIM PERIOD. THE FRENCH HAD RECOGNIZED THAT THEIR EFFORTS TO ATTRACT FRENCH INDUSTRY TO MALTA HAD NOT YET BORNE FRUIT AND PROBABLY WOULD NOT FOR SEVERAL YEARS. THE FRENCH HAD REITERATED HOWEVER, THAT THEIR LEGISLATION PRECLUDED THEM FROM GIVING BUDGETARY AID; HENCE ONLY THE GERMANS AND ITALIANS COULD HELP IN THIS RESPECT. ABELA MENTIONED

IN PASSING THAT HE HAD SHOWED ANDREOTTI'S LETTER TO THE FRENCH WHO CLAIMED NOT TO HAVE SEEN IT BEFORE AND WHO WERE "NOT AMUSED" BY IT.

6. SO, SAID ABELA SUMMING UP, THERE WAS NO EVIDENCE THAT THE EUROPEANS, AND PARTICULARLY THE GERMANS WHO HAD THE KEY ROLE TO PLAY, HAD BEEN MOVED BY THE US, AND "IN LIGHT OF THIS", WHAT WAS THE US GOING TO DO ABOUT IT? HIS TRIP WAS A "LAST DITCH EFFORT" BECAUSE THE NOTICE TO THE EUROPEANS ABOUT PICKING UP THE ARAB OPTION IF THERE WAS NO EUROPEAN RESPONSE BY JULY 31 INVOLVED AN "IMMUTABLE" DECISION. IF EUROPE HAD NOT RESPONDED BY THEN MALTA

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WOULD "BECOME A CENTER OF PEACE TIED TO THE ARABS".

7. IN RESPONSE TO MY QUESTIONS ABOUT THE IMPLICATIONS FOR MALTA'S FOREIGN POLICY IF MALTA WERE TO GO SOLO WITH THE ARABS, ABELA STATED THAT MALTA WOULD STILL BE NEUTRAL, THAT THERE WOULD BE NO MILITARY BASES, AND THAT "NORMAL" BILATERAL RELATIONS WITH EUROPEAN COUNTRIES WOULD CONTINUE. THE LANGUAGE OF THE SECURITY AGREEMENT WITH THE ARABS,

HOWEVER, MIGHT NOT BE THE SAME AS THE LANGUAGE THUS FAR
NEGOTIATED WITH THE ITALIANS.

8. WHEN I ASKED IF MALTA WOULD BE PREPARED TO COME TO AN
UNDERSTANDING WITH THE EUROPEANS ON JUST THE SECURITY
ASPECTS OF MALTA'S PROPOSED NEUTRALITY ARRANGEMENTS,
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ABELA RESPONDED THAT THE GOM WOULD ONLY AGREE TO A "WHOLE
PACKAGE", I.E. FINANCIAL SUPPORT AS WELL AS SECURITY
GUARANTEES. OTHERWISE MALTA HAD TO KEEP ITS OPTIONS OPEN.
I THEN SAID TO ABELA THAT AS FAR AS I KNEW THE EUROPEANS
HAD NEVER REJECTED DISCUSSIONS ABOUT ECONOMIC
ASSISTANCE. HE AGREED BUT CLAIMED THAT ALTHOUGH THEY SAY
THEY ARE WILLING TO TALK ABOUT FINANCIAL AID IN FACT THEY
REFUSE TO DO SO. FRANCE AND ITALY SAY THEY CAN'T DO ANY-
THING UNLESS THE GERMANS DO. BUT SCHMIDT HAS YET TO
RESPOND TO MINTOFF'S LETTER. ANYWAY, ACCORDING TO "RUMORS"
REACHING THE GOM, HIS ANSWER WILL BE "PURELY NEGATIVE";
THE MOST THE GERMANS SEEM PREPARED TO OFFER WAS A LOAN OF
SOME 32 MILLION DM AND WOULD NOT GIVE THE BUDGET SUPPORT
THAT THE GOM MUST HAVE. THE GOM HAS ONLY BEEN ABLE TO
USE 13 MILLION OF THE PREVIOUS 32 MILLION DM LOAN FROM
THE FRG.

9. I ASKED WHY A DECISION HAD TO BE TAKEN BY THE END OF
JULY. ABELA CLAIMED THAT "LOCAL POLITICAL FORCES WHICH
I'M NOT FREE TO TALK ABOUT" MADE IT IMPERATIVE THAT A
DECISION BE TAKEN BY THAT TIME. IT WOULD BE "DISASTROUS"
IF THE DECISION WERE DELAYED BEYOND JULY. ABELA CLEARLY
DID NOT WANT TO TALK ABOUT THE JULY DEADLINE ANY FURTHER.

10. ABELA CONCLUDED BY REITERATING ONCE AGAIN THAT "THINGS
COULDN'T BE BLACKER", THAT HIS APPEAL "WAS A LAST DITCH
EFFORT" AND THAT "ONLY YOU CAN DO IT NOW". THE EUROPEANS
MUST MAKE A FINANCIAL OFFER IF THE DIALOGUE IS TO BE
RESUMED AND NOT DEMAND MORE STUDIES OF THE ECONOMY OR AN
EXAMINATION OF THE MALTESE BUDGET. MALTA WILL NOT BE
"INSULTED" WITH A "SILVER COLLECTION" (I PRESUME HE MEANT
SMALL CHANGE) AND IF THE EUROPEANS DIDN'T COME THROUGH,
MALTA WOULD HAVE NO ALTERNATIVE BUT TO PICK UP THE ARAB
OPTION.

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11. I RESPONDED THAT I HAD HEARD HIS MESSAGE WHICH I
ASSUMED WAS ONE AUTHORIZED BY THE PM AND THAT I WOULD PASS

IT ON TO WASHINGTON. I TRIED AGAIN TO PERSUADE ABELA THAT PART OF THE PROBLEM WAS THE FORM AND AMOUNT OF FINANCIAL ASSISTANCE THE GOM WAS DEMANDING; INDEED THAT THESE DEMANDS WERE AN OBSTACLE TO DIALOGUE. TO THIS ABELA REJOINED THAT "ONLY YOU" THINK MALTA'S REQUESTS WERE TOO HIGH. THE GERMANS, THE FRENCH AND THE ITALIANS HAD NEVER SAID THAT.

12. BEFORE LEAVING I RAISED ABELA'S LETTER TO REPRESENTATIVE HAMILTON (VALLETTA 1948) SAYING THAT I MUST TAKE STRONG EXCEPTION TO THAT PART WHICH ACCUSED "CONSERVATIVE ELEMENTS" IN OUR BUREAUCRACY OF ATTEMPTING TO "DESTROY MR. CARTER'S WISE INITIATIVE" BECAUSE FIRST IT WAS NOT TRUE AND SECOND IT WAS DIRECTED AT ME AMONG OTHERS. ABELA WASN'T PHASED BY MY PROTEST. HE SAID THAT HE HAD TOLD ME AS MUCH BEFORE AND WAS CONVINCED THAT "PEOPLE IN THE STATE DEPARTMENT" WERE NOT TRYING TO HELP MALTA. I DENIED THIS TOO, WITH LITTLE EFFECT.

13. COMMENT: OUR THOUGHTS ON THIS DEMARCHE WILL BE SUBMITTED SEPT. SINCE ABELA FAILED TO PRESS AGAIN FOR US ASSISTANCE, WE MAY HAVE MADE SOME PROGRESS IN CONVINCING THE GOM THAT THEY SHOULD NOT LOOK TO US FOR CONCESSIONAL ASSISTANCE. ABELA ALSO SAID NOTHING ABOUT THE RUSSIANS, WHICH MAY MEAN THAT THE BIG BEAR IS NOT LOOMING AS LARGE ON MALTA'S FOREIGN RELATIONS HORIZON AS ABELA PREVIOUSLY WANTED US TO BELIEVE. POSSIBLY MINTOFF'S RECENT STATEMENT DURING THE QADHAFI VISIT THAT MALTA WANTS NO "ATTACHMENT" TO EITHER THE US OR THE USSR CAUSED ABELA TO DROP THIS LINE (AT LEAST FOR NOW).

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DEMARCHE, ECONOMIC ASSISTANCE
Control Number: n/a
Copy: SINGLE
Draft Date: 07 jul 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978VALLET02065
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780279-0219
Format: TEL
From: VALLETTA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780783/aaaacsfsz.tel
Line Count: 289
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: f1416479-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 6
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 78 VALLETTA 1964
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 13 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2080764
Secure: OPEN
Status: NATIVE
Subject: GOM DEMARCHE ON MALTA'S DIALOGUE WITH THE - EUROPEANS
TAGS: PEPR, EAID, MT, US
To: STATE
Type: TE
vdkgvkey: odbc://SAS/SAS.dbo.SAS_Docs/f1416479-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014